

Fair Political Practices Commission
MEMORANDUM

To: Chairman Randolph, Commissioners Blair, Downey, Huguenin and Remy

From: Carla Wardlow
Chief, Technical Assistance Division

Date: September 28, 2005

Subject: 2005-2006 Strategic Plan—Goals for the Technical Assistance Division

As part of the process of updating the Commission's Strategic Plan, I have been asked to describe for you the duties and functions of the Technical Assistance division, and provide input on areas where resources are needed or improvements can be implemented with current resources.

The Technical Assistance Division is responsible for:

- Providing telephone assistance to individuals and entities regulated by the Political Reform Act (the "Act")
- Providing written assistance to individuals and entities regulated by the Act
- Conducting seminars and workshops for the regulated community, as well as participating in conferences and workshops sponsored by other agencies
- Preparing disclosure forms, manuals, and other instructional materials
- Reviewing conflict-of-interest codes for state and multi-county agencies
- Acting as filing officer for statements of economic interests filed by state and local officials
- Acting as filing officer for co-sponsored payment reports filed by state officials
- Annual publication of the Act in booklet form
- Assisting the Legal Division in drafting regulations and preparing materials for review and adoption by the Commission
- Reviewing legislation for its impact on the regulated community and attending legislative hearings
- Maintaining copies of local campaign ordinances
- Providing telephone reception services to the agency

Staff of the Technical Assistance Division

Beginning in 1991, staff levels of the division have decreased from a high of 31 positions to its current level of 17 positions. Approximately half of the 31 positions funded in 1991 were dedicated to producing comprehensive reports summarizing payments received and made in connection with state campaigns and lobbying at the state level. As

the agency's budget was severely reduced during 1991-1992, the "reports unit" of the division was disbanded.

In October 1999, the Commission received additional funding in response to a report issued by the California State Auditor dated May 28, 1998, which recommended the Commission establish a system to provide oversight of filing officers for statements of economic interests (Form 700). The Technical Assistance Division was given four new positions (Staff Services Analysts) and developed an outreach program for state and local officials who have duties under the Act as filing officers for campaign disclosure forms and statements of economic interests. From 2001 through 2003, the division conducted approximately 200 one-on-one outreach meetings. By 2004, all four of the outreach positions had been eliminated, along with the division's travel budget, and the outreach meetings were reduced to those we can conduct within a day's drive or for which the agency requesting training will pay, staff permitting. During 2004, only 12 outreach meetings were held.

Goals for Improvement: Replacement of the four outreach positions was included in the agency's recent request to the Department of Finance for additional funding.

Telephone Assistance

When Propositions 68 and 73 were passed in 1988, requests for telephone assistance increased from approximately 19,000 calls per year in 1988 to approximately 45,000 in 1989 and over 50,000 in 1990. Although most of the provisions of Propositions 68 and 73 were invalidated by the courts, the number of requests for telephone advice did not decrease significantly. Most of this can be attributed to the passage of various ethics and other major pieces of legislation which have imposed duties on the agency (e.g., restrictions on the use of campaign funds, limitations on gifts, etc.) as well as passage of Proposition 208 in 1996, and Proposition 34 in 2000. Since 1988, requests for telephone assistance have ranged between 45,000 to 55,000 calls per year.

The division has seven full-time Political Reform Consultants who spend 60 to 80 percent of their time providing telephone assistance. The number of Political Reform Consultant positions dedicated to this function has been virtually the same since 1991. The Assistant Division Chief also spends approximately 40 percent of her time, and the Manager of Filing Officer Programs spends approximately 25 percent of her time, providing telephone assistance or assisting the Political Reform Consultants with questions.

Goals for improvement: The Commission's telephone helpline is highly efficient and, we have been told, one of the best in state or local government. Callers rarely wait even one minute before being connected to a live person who, in most instances, can answer their questions within a single day, if not immediately.

The Commission may wish to consider whether to expand the helpline service to include evenings and weekends during busy filing seasons. This would require

authorization of compensating time off or overtime pay for staff. It may be worthwhile to test this idea during March 2006. March is usually our busiest month due to the April 1 statement of economic interests filing deadline. In addition, there is a campaign filing deadline in March in connection with the June state primary election.

Workshops and Seminars

The Technical Assistance Division conducts workshops and seminars each year for candidates and committee treasurers, state and local filing officers for campaign statements and statements of economic interests, and others. The number of workshops and seminars the agency conducts depends on the amount of funding that is available for travel. Prior to 1991, up to 100 workshops were conducted each year. Although we continue to conduct approximately 50 workshops each year, they are either held in Sacramento or, if an organization (including other state or local government agencies) requests a workshop outside of Sacramento, they are required to pay travel costs.

As discussed earlier, one-on-one filing officer outreach meetings have been significantly reduced due to travel budget restrictions and the elimination of four outreach positions.

Goals for improvement: Over the years, we have discussed the idea of providing web-based training. However, it may be difficult to keep these types of training programs up-to-date with existing resources, considering the frequency of amendments to the Act. One service we may be able to provide on our website is basic information for local filing officers for campaign reports and statements of economic interests. One of the Division's original proposals when the agency's website was created was to have a "Clerk's Corner" for that purpose.

Forms, Manuals and Informational Materials

The Technical Assistance Division produces the following forms and information manuals:

- Campaign disclosure: 17 forms, 6 manuals, annual addendum
- Lobbying disclosure: 15 forms, 1 manual, addendum when needed
- Conflict of interest disclosure: 1 Form 700 with instructions, Form 700 Certification, Form 700-A and Form 700-U

The Form 700 and instructions and the Form 700 Certification are updated each year. The Forms 700-A and 700-U are updated when needed. When there are legislative or initiative-related changes to the Act's campaign or lobbying disclosure provisions, changes to those forms and informational materials are also needed. In some cases, as with the 1998 legislation establishing campaign reporting obligations for elected members of the California Public Employees' Retirement System (section 84225) and provisions of Proposition 34, new forms and instructions must be created.

Creating and updating forms and manuals is an extremely time-consuming process. Due to the numerous legislative, regulatory, and initiative-related changes to the Act, as well as insufficient staff resources, we have been unable to update the information manuals as needed each year and have resorted to summarizing legislative and regulatory changes in a yearly “addendum” to the manuals. For example, until January 2003, candidates and committees were using the 1995/96 versions of the six campaign disclosure manuals, supplemented with the annual addendum. In January 2003, two new manuals were issued for candidates, one for state candidates and one for local candidates. These two manuals were updated in 2004 and 2005 to incorporate legislative and regulatory changes. Other committees (e.g., ballot measure committees and PACs) continue using the 1995/96 versions of their manuals while new ones are being prepared. In July 2005, the Commission issued a new manual for lobbying disclosure, which had not been updated since 1998.

Previously, the division published detailed handbooks for city and county officials who receive and process campaign statements and statements of economic interests. With the addition of the four Staff Services Analysts for filing officer outreach, the handbooks (dated 1991 for campaign statement filing officers and 1996 for statements of economic interests filing officers) were depublished as updated handout materials were prepared for the one-on-one filing officer meetings. In addition, our goal was to create a web-based training program for filing officers. With the elimination of the four outreach positions and other budget reductions, we have been unable to adequately provide educational materials for filing officers.

The division also publishes schedules each year of campaign disclosure filing deadlines for candidates and committees. Until the 1990s, we were able to publish a one-page, one-size-fits-all filing schedule for state election years and one for odd-numbered years. As the state has switched back and forth between March and June state primary election dates, and as more filing requirements have been added to the Act, we now publish up to 15 filing schedules each year for different types of candidates and committees, as well as for slate mailer organizations.

Goals for Improvement: Updating the remaining campaign disclosure manuals is one of the Division’s top priorities. As discussed above, the Commission may wish to establish a “Clerk’s Corner” on the agency’s website to provide educational materials to local filing officers.

Conflict-of-Interest Code Review

Each state and local government agency must adopt a conflict-of-interest code which establishes disqualification and disclosure requirements for the officials and employees of that agency. (Section 87300.) The codes are adopted by each agency and then reviewed by a “code reviewing body.” The Commission is the code reviewing body for all state agencies and all local agencies with jurisdiction in more than one county (multi-county agencies). (Section 82011.) There are approximately 650 state and multi-county agencies.

The Act was amended in 1990 to require agencies to review their conflict-of-interest codes every other year and submit a biennial notice to their code reviewing body certifying whether the code needs amendments or is up-to-date. (Sections 87306 and 87306.5.) State agencies must submit their biennial notices by March 1 of each odd-numbered year, and local agencies must submit them by July 1 of each even-numbered year. If amendments are needed, they must be submitted to the code reviewing body for approval within 90 days. Each year, the Technical Assistance Division prepares and mails biennial notice forms and information to alert agencies to these requirements.

Goals for Improvement: In 2002, the Commission approved model language state agencies can use in developing disclosure categories for employees designated in their conflict-of-interest codes. At that time, our intention was to develop similar language for local government agencies. We hope to resume work on this (much larger) project once all of the campaign disclosure manuals are updated.

Filing Officer Duties

The Commission is the filing officer for over 21,000 statements of economic interests (Form 700) filed each year by state and local public officials. (Section 87500.) The Technical Assistance Division performs this function, which includes logging the statements, reviewing them for compliance with the Act, and providing public access. (Section 81010.) Officials who fail to file or who file incomplete statements must be notified, and those who file late are subject to late filing penalties. Filers who appear to be in violation of the Act must be referred to the Enforcement Division. The majority of this function is performed by three Staff Services Analysts, supervised by the Manager of Filing Officer Programs, and assisted by two Technical Assistants.

The four outreach Staff Services Analyst positions that were eliminated in 2002-2003 also performed filing officer duties. Although the Political Reform Consultants have always assisted with reviewing the annual statements filed by state elected officials in each year, more of the reviewing workload normally assigned to the Staff Services Analysts has been shifted to them due to the loss of the four positions. Because the Act requires filing officers to perform the duties specified in section 81010, this is not a function the agency can set aside until more funding becomes available.

In 1997, section 82015 was amended to require elected officials to file “co-sponsored payment” reports when third parties make donations at their behest for charitable, legislative, or governmental purposes. For elected state officers, these reports are filed with the Commission, and the Technical Assistance Division logs, reviews, and maintains copies for public access. Approximately 400 of these reports were filed with the Commission during 2004.

Goals for Improvement: Each year, we review the Form 700 and disclosure requirements for ways to update and streamline the process. For example, in 2005 the Commission approved a legislative proposal to amend the definition of “investment” in

section 82034 to exclude holdings in defined benefit pension plans qualified under Internal Revenue Code section 401(a). We will continue to study areas where the requirements can be updated to reflect current financial practices.